

EPA Region 9 **ORDER**

Classification No. R9 2750

Approval Date: 06/27/2017

Audit Management in Region 9

1. Purpose

This regional order assigns regional responsibilities to implement audit management and follow-up procedures, according to the EPA Manual 2750, Audit Management Procedures.

2. Scope and Applicability

This regional order applies to regional actions taken in response to all audits performed by the Office of Inspector General, Government Accountability Office, and Defense Contract Audit Agency on the EPA, its contractors and recipients, and to all recommendations and findings included in reports to which the agency is statutorily required to respond. This includes, but is not limited to, audits of (external) programs, and grant programs under the statutes that EPA administers (e.g., Clean Air Act, Clean Water Act, etc.), as well as internal (performance or financial) management audits of Agency systems, procedures, and operations.

3. Authority

EPA Manual 2750, Audit Management Procedures, September 28, 2012, outlines the legislation and guidance governing audit and evaluation reports upon which these agency procedures are based.

4. Roles and Responsibilities

- a. *Audit Management Official.* The Assistant Regional Administrator (ARA) for Environmental Management is the Region's designated Audit Management Official and has management responsibility for:

- (1) Ensuring that all managers and staff within the region understand the audit management process; working toward timely, complete and effective audit resolution; resolving issues; taking timely and appropriate corrective actions; and tracking implementation of corrective actions.

- (2) Designating an Office Audit Follow-up Coordinator (O AFC). The Financial Management Branch, Environmental Management Division, is the designated O AFC lead with responsibility for managing the overall audit process within Region 9.
 - (3) Providing an adequate level of staffing for the audit management activity with sufficient professional capability to carry out the activities associated with this function; stressing that managers allocate the time and resources necessary for personnel assigned an audit management task to complete the task effectively; and ensuring that organizational placement of the function be sufficiently high to achieve officials' responsiveness to these audit management requirements.
 - (4) Developing and maintaining regional operating procedures and controls which promote timely and effective audit resolution to comply with EPA Manual 2750.
- b. *Office Audit Follow-up Coordinator.* The Financial Management Branch, Environmental Management Division, is the designated lead for the AFC function and, as such, ensures the audit response articulates the Region's position, responds to all audit findings and recommendations, and conforms with national policy. In addition, the O AFC shall:
- (1) coordinate input to the development of the OIG's Annual Audit Plan;
 - (2) serve as the initial point of contact within Region 9 when the OIG provides notice of an audit or requests an entrance conference;
 - (3) provide guidance on preparing complete responses to final reports, and ensure that preparation of responses to OIG reports are on time and responsive to audit findings and recommendations;
 - (4) provide status reports to the Action Official (AO), senior managers, and the Agency Audit Follow-up Coordinator regarding all significant unresolved OIG reports, disputed or delayed audit resolution, dates of proposed resolution, and amounts or issues in disagreement; manage and maintain the integrity of all audit data contained in the Management Audit Tracking System (MATS) related to the region's audit process;
 - (5) facilitate timely progress on all corrective actions and subsequent tracking, and provide the Agency AFC and senior managers with status information and reports;
 - (6) ensure the timely and thorough review of the OIG's proposed Semiannual Reports to the Congress; and

- (7) elevate any issues that cannot be agreed upon or resolved with auditors or EPA staff to the Divisional Inspector General for Audits (DIGA) and to the AO, respectively.

Additional OAFRC responsibilities may apply depending on type of audit, as described in EPA Manual 2750.

- c. *Action Official (AO)*. The AO is the EPA official who authors the management decision in response to an audit. The following individuals are designated as the Action Official for:
 - (1) Assistance Agreement Audits and Single Audits: Grants Management Officer, Environmental Management Division.
 - (2) Contracts Audits: Contracts Officer, Environmental Management Division.
 - (3) Performance Audits: Deputy Director of applicable Division/Office or Equivalent.
 - (4) Financial Statement Audits: Deputy Assistant Regional Administrator.
- d. *Dispute Decision Official (DDO)*. The DDO is responsible for issuing a decision resolving a financial assistance audit appeal. The DDO is designated by the Regional Administrator to issue the written decision resolving the appeal. The Assistant Regional Administrator for the Environmental Management Division is the designated DDO for appeals of all audits involving financial audit appeals. The DDO issues appeal decisions within 180 days from date of receipt of such appeals unless a longer period is deemed necessary pursuant to 2 CFR 1500.16
- e. *Review Official (RO)*. The Review Official is responsible for issuing a decision resolving a recipient's request for review of a DDO's Appeal decision. The Regional Administrator is the RO for a regional DDO Appeal decision. The RO reviews DDO's decisions within 45 days of receipt of appeals unless a longer period is deemed necessary pursuant to 2 CFR 1500.19.

EPA Manual 2750 provides further details of the responsibilities for these roles as well as descriptions for additional roles and responsibilities as applicable to the type of audit involved, including Financial Management Officers, EPA Claims Coordinator, EPA Claims Officers, Contracting Officers, Grant Management Officer, Office of Regional Council, and Auditees.

5. Material Superseded

This regional order supersedes Regional Order 2750.2A, dated April 12, 1999.

6. References

EPA Manual 2750, Audit Management Procedures, September 28, 2012 and any subsequent revisions.

7. Review

This regional order will be reviewed periodically by the Office Audit Follow-up Coordinator, but no less than every five years, and updated as necessary.



Alexis Strauss
Acting Regional Administrator

27 June 2017
Date